

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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USGEN NEW ENGLAND, INC.

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**FE DOCKET NO. 90-09-NG**

**ORDER AMENDING LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA**

**DOE/FE ORDER NO. 551-F**

DESCRIPTION OF REQUEST

On November 9, 2001, USGen New England, Inc. (USGenNE) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>1/</sup>, and DOE Delegation Order Nos. 0204-111 and 0204-127, to amend its authority to import natural gas from two Canadian producers. USGenNE requests that FE (1) decrease the allowable imports from Canadian Natural Resources (CNR) to 8,137 Mcf per day and (2) entirely rescind the authorization to import volumes from Renaissance Energy Limited (Renaissance).

USGenNE, an indirect subsidiary of PG&E National Energy Group, L.L.C., is a non-regulated electric power producer which owns and operates fossil-fueled and hydroelectric generating facilities in the northeast region of the United States. In DOE/FE Order No. 551-E (Order 551-E), issued May 20, 1998, USGenNE was permitted to import up to 50,000 Mcf of natural gas per day from Sceptre Resources Limited (Sceptre) and Renaissance, through

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<sup>1/</sup> 15 U.S.C. § 717b.

October 31, 2008.<sup>2/</sup> That authorization stemmed from an asset sales agreement between USGenNE and New England Power Company (NEP) which was completed on May 1, 1999.

As part of the deal, USGenNE acquired certain generating assets of NEP and assumed NEP's role in the natural gas sales contracts with Sceptre and Renaissance. In 1988 and 1989, respectively, NEP contracted with Sceptre to purchase up to 35,000 Mcf of natural gas per day and with Renaissance to purchase up to 15,000 Mcf of natural gas per day. *See* DOE/FE Opinion and Order No. 551.<sup>3/</sup> Since Order 551-E was issued transferring NEP's import authority to USGenNE, Sceptre changed its name to Canadian Natural Resources (CNR).

Under the terms of the gas purchase contract with CNR, the parties may reduce the contract volumes if USGenNE does not take a minimum amount during any contract year.<sup>4/</sup> CNR exercised its right to reduce the daily volumes under the contract by 26,863 Mcf. In another development, USGen's arrangement with Renaissance was terminated. As a result of these occurrences, USGenNE no longer is committed to purchase from them a total of 41,863 Mcf per day of natural gas and seeks to have those volumes removed from its import authorization.

### ORDER

Pursuant to section 3 of the Natural Gas Act, the import authorization conferred to

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<sup>2/</sup> 1 FE ¶ 71,561.

<sup>3/</sup> Originally, NEP was authorized in DOE/FE Opinion and Order 551 (Order 551) issued November 27, 1991, to import a total of up to 60,000 Mcf of natural gas per day from four Canadian producers, including Renaissance and Sceptre (1 FE ¶ 70,502). The gas was used by NEP and its affiliates to fuel electric power generation plants in Massachusetts and Rhode Island. From May 1994 to February 1997 Order 551 was amended five times by DOE/FE Order Nos. 551-A (1 FE ¶ 70,956), 551-B (1 FE ¶ 71,146.), 551-C (1 FE ¶ 71,218), 551-D (1 FE ¶ 71,363), and 551-E (1FE ¶ 71,561) .

<sup>4/</sup> *See* Section 3.2(b).

USGen New England, Inc., by DOE/FE Order No. 551-E is hereby amended regarding the quantities of natural gas imported from Canadian Natural Resources and Renaissance Energy Limited. The volumes imported from CNR are reduced from 35,000 Mcf per day to 8,137 Mcf per day and the imports from Renaissance are eliminated. USGenNE will be bound by all terms and conditions set forth in DOE/FE Opinion and Order No. 551, as amended.

Issued in Washington, D.C., on November 29, 2001.

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